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Title : President's address to both the Houses of Parliament assembled together on the 25th February, 2008.

SECRETARY-GENERAL: I beg to lay on the Table a copy of the President's Address * * (Hindi & English Versions) to both the Houses of Parliament assembled together on the 25th February, 2008.

* The President delivered the Address in the Central Hall in English. Hindi text of

the Address was read by the Vice-President there.

** Laid on the Table and also placed in Library, See No. LT 8092/2008

Honourable Members,

I convey my best wishes to all of you and to our people. The Parliament convenes at a time when the economy is on the move. My Government remains firmly committed to ensuring that the economic growth process is socially inclusive, regionally balanced and environmentally sustainable. The measures taken by my Government have created the necessary **architecture of inclusive growth.**

Several programmes have been launched to make the growth process socially inclusive and regionally balanced. These include **Bharat Nirman**, aimed at bridging the rural-urban gap in development; the **National Rural Employment Guarantee Act** to soften the sharp edges of poverty and offer basic livelihood security; **Sarva Shiksha Abhiyan**, for giving equal opportunity to our children in realizing their potential, further strengthened through a **universal midday meal programme**; the **National Rural Health Mission**, offering the rural poor access to basic health care; and, the **Jawaharlal Nehru National Urban Renewal Mission**, promoting socially inclusive and economically manageable urban development. To make the growth process more participatory, responsive and accountable, Government has sought to strengthen **panchayati raj** institutions and has enshrined in law a **Right to Information Act.**

My Government's strategy of "inclusive growth" has been enabled by, and has in turn contributed to, the acceleration of economic growth. For the first time in history, the Indian economy has grown at close to 9.0 per cent per annum for four years in a row. The historically high investment rate, of over 35% of GDP, and savings rate, of over 34% of GDP, symbolize a new dynamism in our economy. I am confident that the creativity, enterprise and hard work of our young people will be able to sustain these high rates in the years to come.

This performance is all the more creditable against the background of high international oil prices and rising commodity prices, including for food. It will continue to be the endeavour of my Government to sustain growth while keeping prices under check. My Government has endeavoured to insulate the Indian consumer from these global inflationary trends. World crude oil prices have almost doubled in the past two years to reach an all-time high of US$100 per barrel, yet my Government has managed to moderate the impact on the domestic consumer.

The architecture of inclusive growth is further consolidated through the Eleventh Five Year Plan. The Plan has set a target of 9 per cent GDP growth for the country as a whole to be achieved in a manner that would provide equality of opportunity for quality education, for employment and for enterprise, free people from the burden of ill-health and eliminate discrimination.

The share of the Central Gross Budgetary Support allocation to key sectors is being substantially increased. The outlay on education goes up from 7.68% of the Central Gross Budgetary Support in the 10th Plan to over 19% in the 11th Plan. The outlays on agriculture, health and rural development have been tripled. Taken together with education, these sectors account for more than half of the Central Gross Budgetary Support as compared to less than 1/3rd in the 10th Plan. This is a major structural shift in plan priorities, aimed at reducing disparities and empowering people.

The Plan hopes to raise the total annual investment in infrastructure from 5% of GDP to 9%. Public sector investment will continue to play an important role in infrastructure development supplemented by private investment wherever feasible. My Government will augment the skills and resources needed for enabling marginalized groups and regions to benefit from the processes of growth.

My Government has been paying special attention to the welfare of our farmers and has reversed the decline in public investment in agriculture. The target set in the **National Common Minimum Programme** of doubling agricultural credit in three years has been substantially exceeded. The target set for 2007-08, of Rs. 2,25,000 crore, has already been achieved by December 2007. Government has taken up the revival of the Rural Cooperative Credit structure. Government had appointed an Expert Group on **Agricultural Indebtedness** under the chairmanship of Prof R. Radhakrishna and its report has since been received. The recommendations of the Group are under Government's active consideration.

To bring the "financially excluded" population within the formal banking system, banks have been directed to utilize the services of self-help groups (SHG), micro finance institutions and other civil society organizations to this end. Over 5 lakh self-help groups are being assisted under the S**warnajayanti Gram Swarojgar Yojana** and **52** per cent of the swarojgaris are women. Government has also introduced the **Micro Financial Sector (Development and Regulation Bill)** in Parliament. The Swarna Jayanti Shehari Rozgar Yojana is providing opportunities for skill development and employment for the urban poor, especially women.

My Government has taken two major initiatives for the agriculture sector in recent times: the National Food Security Mission and the Rashtriya Krishi Vikas Yojana. The National Food Security Mission has been set up to enhance the production of rice, wheat and pulses by 10, 8 and 2 million tonnes respectively during the 11th Plan period. The Rashtriya Krishi Vikas Yojana, with an outlay of Rs. 25,000 crore for farm revival, aims at stepping up agricultural growth to 4 per cent in the 11th Plan by incentivising States to invest more in the sector.

With the efforts of my Government, there has been a substantial increase in agricultural production. The combined resources for Agriculture, Irrigation and Water Resources including a major Flood Management Programme will go up from Rs. 46,131 crores in the 10th Plan to Rs. 1,38,548 crore in the 11th Plan. My Government effected an unprecedented steep hike of over 50% in the **Minimum Support Price (MSP)** for wheat and about 33% for paddy in the last four years.

My Government aims at tripling the size of the processed food sector by 2015, and doubling its share in global trade. To achieve these objectives, **30 Mega Food Parks** and an Integrated Cold Chain will be established. A **National Institute of Food Technology Entrepreneurship and Management** is being set up at Kundli as a knowledge institution for the sector.

My Government has placed great emphasis on the empowerment of **Scheduled Castes, Scheduled Tribes and Other Backward Classes** through increased access to education. Close to Rs. 900 crore have been provided for scholarships for about 30 lakh children belonging to the Scheduled Castes and an amount of over Rs. 225 crore has been provided for more than 10 lakh tribal children. The **Rajiv Gandhi National Fellowship** and schemes for special coaching for Scheduled Caste and Scheduled Tribe students are being actively implemented. The **Indira Gandhi National Tribal University** will be founded at Amarkantak in Madhya Pradesh to promote studies and research in art, culture, tradition, languages, customs and medicinal systems of our tribal communities, besides promoting educational opportunities for tribal students.

The **Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act** is a landmark

legislation aimed at correcting the historical deprivations of the tribal and traditional forest dwellers and restoring to them their rights on land. State Governments have been requested to implement the provisions of this Act expeditiously.

With a view to provide social security to workers in the unorganized sector, who constitute a majority of our workforce, my Government has introduced the **Unorganised Sector Social Security Bill, 2007.** The **Rashtriya Swasthya Bima Yojana** to provide health cover of Rs. 30,000 for every unorganized sector worker living below poverty line and for the family, the **Aam Aadmi Bima Yojana** to provide relief to about 1 crore families of rural landless labour in the first year itself and the **Indira Gandhi National Old Age Pension Scheme**, entitling those below poverty line and above 65 years to a monthly pension of Rs. 200, have been launched. Government has also enhanced the **National Floor Level Minimum Wage** from Rs. 66 to Rs. 80 per day. The eligibility limit for payment of bonus to workers has been raised from Rs. 3,500 to Rs. 10,000 per month. Workers employed by building contractors have also been made eligible for payment of bonus.

My Government has put in place a **National Rehabilitation and Resettlement Policy** with effect from October 2007 to address the long standing grievances of people displaced from their land by development projects. The policy provides for basic minimum requirements to be fulfilled in all the projects leading to involuntary displacement. In order to give statutory backing to the policy, a **Rehabilitation and Resettlement Bill, 2007 and a Land Acquisition (Amendment) Bill 2007** have also been introduced in Parliament.

Inclusive growth demands inclusive governance. The key instrument for this is panchayati raj. Government has strengthened **panchayati raj** through untied funds to support local area development planning in addition to reorienting delivery systems to work through panchayats. To address the problem of regional imbalances, my Government is helping less developed regions through the **Backward Regions Grant Fund.**

To provide access to justice, both civil and criminal, to our less privileged citizens at their doorstep, my Government has brought forward a legislation to establish **Gram Nyayalayas**.

The **Prime Minister's New 15 Point Programme** launched by my Government aims at ensuring that benefits of the development programmes flow equitably to the minorities. Certain proportion of development projects will be located in minority concentration areas and, wherever possible, 15 per cent of targets and outlays under various schemes would be earmarked for the minorities. To improve the economic and educational status of the minorities, several programmes have been launched based on the recommendations of the **Sachar Committee Report.** The 11th Plan provides Rs. 800 crore for Merit-cum-Means based scholarship for professional courses, nearly Rs. 3300 crore for post and pre-matric scholarship programmes for minority students and Rs. 3780 crore for the development of 90 minority concentration districts. The proportion of priority sector lending going to the minority communities will be stepped up from the present 9% to 15%. These initiatives are important pillars of the architecture of inclusive growth.

"Women hold up half the sky", it is said. **Empowerment of women** through female literacy is our single biggest challenge in the social sector. The **National Literacy Mission** will make acceleration of female literacy its key goal. We have moved closer to complete **Legal Equality for Women** in all spheres by removing discriminatory legislation, amending existing legislation and by enacting new legislation that gives women equal rights of ownership of assets like houses and land. Amendments are being considered to the Indecent Representation of Women (Prohibition) Act, 1986, the Dowry Prohibition Act, 1961, and the Medical Termination of Pregnancy Act, 1971. Laws pertaining to bonded labour, plantation labour, factory and migrant labour will also be made gender sensitive. Removal of age-old prejudices, particularly bias against women in society is the biggest challenge to achieve equality. My Government is committed to strictly enforce laws relating to dowry, female infanticide, female foeticide and human trafficking and to realize a gender-neutral India.

To ensure proper enforcement of children's rights, a **National Commission for Protection of Child Rights** has been set up. Government proposes to launch a series of measures designed to address the serious issue of malnutrition among a large number of our children.

Our sportspersons are increasingly making their mark in a range of games. Preparations for the **Commonwealth Games 2010** are in full swing. My Government will also launch the **"Panchayat Yuva Khel aur Krida Abhiyan"** to promote sports and nurture talents at the block and village levels.

Hon'ble Members, as I mentioned earlier, the architecture of inclusive governance is defined by my Government's "flagship programmes". To strengthen the safety net provided by Government for those seeking employment in rural areas, it has been decided to expand the coverage of the **National Rural Employment Guarantee Act** from **330 districts to cover all rural districts of the country from April 2008.**

Under this Act, 2.7 crore people were provided employment till the middle of January 2008 during the current financial

year. Transparency has been made critical to programme implementation through social audit and for the first time even muster rolls are put up on the Internet. The programme has been courting public scrutiny to ensure that benefits flow to those for whom they are intended. We are confident that with the active support of State Governments, panchayati raj institutions and civil society collaboration, the NREGA will achieve its ambitious goal.

The **Sarva Shiksha Abhiyan** for elementary education is being strengthened with expansion of the midday meal programme for children to the Upper Primary level in 3479 educationally backward blocks of the country. My Government seeks to provide universal access to secondary education by supporting 6000 new high quality model schools, with one school in each block in the country to set standards of excellence that can be emulated. Higher education will receive massive investment in the 11th Plan with 30 new Central Universities, 370 new colleges in educationally backward districts, and expansion in the number of technical institutions with 8 new Indian Institutes of Technology, 20 new Indian Institutes of Information Technology, 7 new Indian Institutes of Management, and 2 more Indian Institutes of Science Education and Research in addition to the three started at Pune, Kolkata and Mohali. The **National Skill Development Mission** will ensure employability of our youth and address the skill deficit presently felt in some sectors of our economy.

The **National Rural Health Mission** has been expanding the public health infrastructure and services in the rural areas of our country. So far 1.38 lakh sub centres, 22,669 primary health centres, 3,947 community health centres and 540 district hospitals have been supported with resources under this Mission. Nearly 5 lakh ASHAs (Accredited Social Health Activists) and Link Health Workers are now in position in our villages. **Rural sanitation** coverage has improved significantly from 22% of rural households in 2001 to about 50% today through enhanced peoples' participation incentivised by the Nirmal Gram Puraskar.

Bharat Nirman has sought to connect rural India to growth opportunities through connectivity to roads, electricity and telephones. From 2005 till the end of 2007, 17,000 habitations have been connected by all weather roads, over 44,000 villages have been connected to electricity, 40 lakh houses have been constructed for the rural poor, 2 lakh habitations have been provided drinking water supply and more than 36 lakh hectares have been provided irrigation. During this period the target for telephone connectivity to all villages has almost been met, with only 14,000 villages remaining to be connected as of December 2007. Rural tele-density has improved dramatically.

The **Jawaharlal Nehru Urban Renewal Mission** has been widely welcomed by States and cities covered by it. Projects worth Rs. 25,287 crore are under implementation in 51 cities across 26 States. Under its Basic Services component, more than 8 lakh houses have been sanctioned for the urban poor. The Central Government will promote affordable Housing through the **National Housing and Habitat Policy**.

Rapid modernization and development of our infrastructure have been a priority for my Government. Various measures, including the allotment of coal blocks with the capacity to support 68,000 MW of power generation have been taken already. Nine sites have been identified in nine States for setting up coal-based **Ultra Mega Power Projects** (UMPP) with capacity of 4000 MW each, and work has started on the Sasan and Mundhra projects. Modern and environment friendly technology will be used in these plants. Units 3 and 4 of the **Tarapur Atomic Power Station**, India's first 540 MWe nuclear power plant, were dedicated to the Nation in 2007, constituting a major milestone in our indigenous nuclear power programme.

Required policy initiatives are being taken to promote investment for the development of all sources of energy including hydro-power, other renewable energy and nuclear energy. National Policies on bio-fuels and renewable energy are being finalized. The **Chief Ministers' Conference on Power Sector** endorsed various initiatives aimed at capacity addition, economic pricing and power sector reform.

My Government has placed great emphasis on enhancing energy security through rapid exploration of domestic oil and gas reserves, combined with acquisitions abroad. Significant oil and gas reserves have been discovered in 15 blocks. The first commercial production of Coal Bed Methane began recently, and the first deepwater natural gas production will also commence in this year. Another 57 blocks are being offered through international competitive bidding under NELP-VII. Our oil companies are actively acquiring blocks overseas. The **Petroleum and Natural Gas Regulatory Authority** has been made operational. The **Rajiv Gandhi Institute of Petroleum Technology** has been set up to meet the shortfall of trained technical manpower in the petroleum sector.

A new **Coal Distribution Policy** has been notified to meet the full requirements of the defence, railway, power and fertilizer sectors. The increase of over 20% in the royalty on coal and lignite will benefit the producing States. A new Mineral Policy, which will greatly expand the investment and employment opportunities in mining, is under finalisation.

The six-laning of 6,500 kms of existing **National Highways** has been approved. Under NHDP Phase VI, 1000 kms of fully access controlled expressways will be constructed. Government has also approved widening and improvement of National

and State highways in the North-Eastern region to ensure better connectivity to all the 85 district headquarters in the region. The traffic handled by the major ports has increased by over 13 per cent in the current year. With the approval of the new Model Concession Agreement for private sector participation in the major ports and revised guidelines for tariff setting for projects under the Public-Private Participation (PPP) model, investment in this sector is expected to get a fillip during the coming year.

My Government has achieved a major turnaround in the financial and technical performance of the **Indian Railways**. To further improve rail connectivity and infrastructure development, 22 stations located at metropolitan centres and major tourist centres will be developed through the Public-Private-Partnership route. The Mumbai-Delhi-Kolkata **Dedicated Freight Corridor** will be a landmark in railway infrastructure, and will also support massive industrialization alongside.

The **civil aviation** sector is witnessing an unprecedented boom with both passenger and cargo traffic increasing at an exponential rate. Government has given priority to upgradation and modernization of Airport infrastructure and to increase availability of skilled personnel in the sector. New international airports at Bangalore and Hyderabad will be inaugurated this year. Construction of new terminals at New Delhi and other Metros is underway. Air connectivity to different parts of the country, including North-East has been increased.

The Indian **telecom** sector has emerged as the fastest growing in the world with the addition of over 7 million subscribers per month. A scheme has been launched to provide support for setting up and managing telecom infrastructure in rural areas to affordably and quickly expand mobile telecom services.

My Government has identified growth of electronics and IT hardware manufacturing as a thrust area. A special scheme has been announced to encourage semiconductor fabrication and other micro and nano technology manufacturing industries. The **National e-Governance Plan**, to make Government transparent and citizen-friendly, is at an advanced stage of implementation all over the country. Use of information technology in about 13,000 district and subordinate courts across the country has been initiated. An **Integrated National Knowledge Network** to provide gigabit broadband connectivity will be set up to connect all institutions of higher learning and research in the country.

The climate for **industrial development** in our country continues to improve. To ensure that Indian industry generates more employment and becomes more globally competitive, Government has tasked the **National Manufacturing Competitiveness Council** to suggest appropriate policies. The competitive position of Indian industry, especially in sectors like steel and metallurgy, textiles, automobiles and auto components, pharmaceuticals and bio-technology, petrochemicals and cement, is stronger than ever before. India's merchandise exports have shown a healthy annual growth at the rate of over 25 per cent from US $ 84 billion in 2004-05 to US $ 126.4 billion in 2006-07. A stable policy framework and continuous effort by the Government to reduce trade barriers and transaction costs have created a favourable environment for international trade.

My Government has placed great emphasis on ensuring a turnaround in the **performance of our Public Sector Undertakings.** Revival packages have been approved for more than 25 sick and loss making companies. The Net Profit of Central PSUs has shown a healthy growth of over 17% last year. Profitability of **public sector steel companies** has gone up substantially from Rs. 5,373 crore in 2003-04 to Rs. 15,567 crore in 2006-07, energizing companies like Steel Authority of India Limited to go in for major expansion plans.

The **Special Economic Zones** promoted by Government have already provided direct employment to about 100,000 persons, with indirect employment estimated at twice as much. They have attracted investment of over Rs. 50,000 crores, and are expected to generate exports of Rs. 67,000 crores this year.

My Government is committed to the promotion of our **Textile Industr**y. A technology mission on textiles will be implemented during the 11th Five Year Plan. Four Centres of excellence will be set up in key segments like Meditech, Geotech, Agritech and Buildtech. The **Technology Upgradation Fund Scheme** has been extended for the 11th Plan.

My Government has taken various measures to promote **Micro, Small and Medium Enterprises.** This sector is vital to employment generation, entrepreneurship development and balanced regional development, and Government will continue to provide financial, infrastructural and marketing support to it.

Government has placed great emphasis on **science and technology** development, substantially increasing financial support to S&T in the 11th Plan. A Nano Technology Mission has been launched.

The Indian **space** programme continued its march towards achieving self-reliance in space technology. The indigenously developed cryogenic upper stage of the GSLV was successfully tested on November 15, 2007. The INSAT-4CR, using our own Geo-synchronous Satellite Launch Vehicle and INSAT-4B were both launched in 2007. Our space programme

has enabled us to extend tele-medicine, tele-education, tele-communications and other services both at home and abroad. A new **Indian Institute of Space Technology** has been established to build upon these successes. India's first unmanned Lunar Mission **'Chandrayan-I'** is scheduled for launch later this year.

My Government acted with urgency on the issue of climate change and set up a **Prime Minister's Council on Climate Change** to plan and implement appropriate strategies for mitigating and adapting to climate change. A comprehensive **National Action Plan on Climate Change** is under preparation. India is willing to ensure that its per capita emissions shall at no time exceed the average per capita emissions of developed countries. At the Bali Conference on Climate Change, India constructively engaged with the international community to launch a comprehensive process on long-term cooperative action to deal with this issue in accordance with the provisions and principles of the UN Framework Convention on Climate Change. The **River Conservation Programme** will be revamped to focus on cleaning of major rivers. An **Earth Science Organisation Council** has been created to guide policies of the newly created Ministry of Earth Sciences. A state of the art **Tsunami Warning System** has been commissioned.

On the occasion of the 150th anniversary of the First War of Indian Independence, the Red Fort was added to UNESCO's list of World Heritage Sites. I am happy to note that the sacred **"Rigveda"** was included in the "Memory of the World" Register last year.

Government has focused on strengthening All India Radio and Doordarshan services in J&K and the North-East. The **Urdu Channel of Doordarshan** has commenced 24x7 services. Frequency Modulated Radio Channels have seen a huge expansion with 152 channels already operating and expected to grow to 266 soon. Community radio has been given a major boost through a new policy. The Indian Entertainment and Media industry including sectors like Print, Television, Radio, Film and Entertainment, is witnessing huge growth, contributing to large employment generation.

Tourism has high potential for generating both income and employment across the country. The **"Incredible India"** campaign has given a thrust to tourism in India, with foreign tourist arrivals touching 5 million for the first time. Foreign exchange earnings from tourism have touched US$ 12 billion in 2007.

The overall **internal security** situation remains under control. My Government is fully alive to the threat of terrorism and Left-wing extremism. The entire nation stood as one in condemning inhuman acts of terrorism in Jammu & Kashmir, Uttar Pradesh, Andhra Pradesh and Assam. Government has been resolute in trying to stamp out Left-wing extremism. The **Conference of Chief Ministers on Internal Security** underscored the importance of Centre and the States working together to fight the menace of extremism and terrorism. Government is helping States affected by Left-wing extremism both on the internal security and the development and social empowerment fronts. Modernization of the police and security forces and of intelligence gathering systems is receiving high attention of Government.

In the face of extreme acts of violence against innocent people, including those near religious places, the people of India have stood as one in rejecting the politics of hatred. Their refusal to be provoked demonstrates once again the innate humanism of our people and their commitment to the unity and integrity of our nation, to our constitutional values of pluralism and secularism. It is largely due to this that an environment of communal harmony and amity prevails across the nation. My Government will remain ever vigilant against the machinations of any anti-social and anti-national groups seeking to disrupt law and order, communal harmony and the unity and integrity of our Republic.

My government, working with the State Governments, is pursuing a multi-pronged strategy to ensure peace, normalcy and development in **Jammu & Kashmir.** The **Prime Minister's Reconstruction Plan** is being implemented vigorously with focus on improving connectivity and infrastructure, including power, and generating employment. As part of this Plan a **Housing Project for Kashmiri Migrants** is under implementation in the State.

You are aware that my Government had held a series of **Round Table Conferences** with all segments of population in **Jammu & Kashmir**. These deliberations reflect a wide-ranging civic and political consensus on political and developmental issues. Government is working on a holistic approach aimed at confidence building amongst all sections of society, easier travel across the Line of Control, better governance and closer attention to the aspirations of the people of Jammu & Kashmir.

Improving connectivity, expanding infrastructure and generating employment have been the focus of my Government's initiatives in the **North Eastern Region**. The North Eastern Council has been collaborating with the Airports Authority of India to upgrade 18 airports in the North Eastern Region. Greenfield Airports will be built in Assam and Arunachal Pradesh. The North Eastern Council has taken the initiative to establish a dedicated airline for the region. **Special Accelerated Roads Development Programme in North East (SARDP-NE)**, with a funding of Rs. 43,000 crore, has been formulated to construct, improve and widen roads in the region. A **Trans-Arunachal Pradesh Highway** will be constructed across the length of the State. A comprehensive plan for improving availability of power in the region is in the making. Broadband and

wireless connectivity is being further enhanced to improve communications networks. New initiatives in education include setting up of new Universities and other institutions of national importance. Industrial development is being promoted through the **North East Industrial and Investment Promotion Policy**. Work on the Assam Gas Cracker Project, which will further contribute to the industrial development of the region, has started.

Government attaches great importance to the achievements of the People of Indian Origin in different parts of the world, and their contributions to the Nation. In recognition of their contributions, several initiatives have been taken up. The first **People of Indian Origin University is on the anvil**. To tap the resources of the Indian diaspora it has been decided to establish the **Prime Minister's Global Advisory Council** of People of Indian Origin. To facilitate potential migrant workers and help those overseas workers who are in distress, an **"Overseas Workers Resource Centre"** and the **"Council for Promotion of Overseas Employment"** are being set up.

My Government has taken several steps to promote the modernization and welfare of our **armed forces** and ensure defence preparedness of the country. Our armed forces safeguard our frontiers, help in maintaining peace and security in insurgency affected areas and provide valuable aid to the civil authority in disaster management and in providing required relief and rehabilitation. The **Armed Forces Tribunal Act, 2007,** would provide a meaningful opportunity to service personnel for judicial review of Court Martial decisions and grievances relating to service matters. The successful launch of **Agni-III Missile** and the induction of **BrahMos Missile System** into our armed forces constitute major milestones in the upgradation of our defence technology.

The **foreign policy** of my Government seeks to promote an environment of peace and stability in our region and in the world to facilitate accelerated socio-economic development and safeguard our national security. Government has made vigorous efforts to develop friendly and cooperative relations with all our neighbours and to strengthen engagement with major powers. Since the 14th SAARC summit in New Delhi in April 2007, India has made every effort to strengthen SAARC, moving it from a declaratory to an implementation phase. Progress has been registered towards the establishment of the SAARC Development Fund, the South Asia University and the SAARC Food Bank.

Our goal remains a peaceful, stable and prosperous neighbourhood. India is committed to extending full support to Nepal's development during its political transition. India also stands ready to assist the Nepalese people's choices in the transition to a democratic, stable and prosperous State. As a close and friendly neighbour, India would prefer to see a peaceful, stable and liberal democratic Bangladesh. It is our hope that the people of Bangladesh will be able to exercise their will through free and fair elections for restoration of full democracy. There has been an unfortunate increase in violence in Sri Lanka. We are clear that there can be no military solution to the ethnic issue. It is necessary to find a negotiated political settlement within the framework of a united Sri Lanka that is acceptable to all sections of society. We will continue to help Afghanistan in whatever manner we can in its reconstruction and in building a pluralistic and prosperous society. We are committed to peace, friendship and good neighbourly relations with Pakistan. A stable and prosperous Pakistan, at peace with itself, is in the interests of our entire region. When conditions permit we will resume our dialogue process with Pakistan, aimed at building mutual confidence and resolving outstanding issues, premised on an atmosphere free from terror and violence. We hope that Myanmar's on-going national reconciliation and political reform process and the recognition of the need to expedite the process will make it more inclusive so as to ensure peaceful and stable democratization.

India attaches high importance to its bilateral relations with the People's Republic of China, with which we have a Strategic and Cooperative Partnership for Peace and Prosperity. This partnership has been further enhanced and given a global dimension with the signing of a Shared Vision for the 21st Century during the visit of the Prime Minister to China last month. Peace and tranquility have been maintained on our border with China and both countries are determined that this should continue.

My Government has made rapid improvements in our relationships with the major powers of the world. Our relations with the United States of America have improved in the past few years, and now span a wide spectrum including high technology, space, agriculture, education and trade and other linkages. It is our hope that civil nuclear cooperation with the USA and other friendly countries will become possible. Government has been working to further develop the time-tested friendship with Russia. The visit of Prime Minister to Moscow in November 2007 contributed to further strengthening our strategic partnership with Russia. We attach importance to our relations with the member states of the EU individually as well as collectively. The 8th India-EU Summit was held in New Delhi in November 2007. Most recently Prime Minister of UK visited India and the President of France was the Chief Guest at our Republic Day.

Government has achieved significant progress in the implementation of its **"Look East Policy"** through participation in the ASEAN-India and the East Asia Summits in Singapore in November 2007. India continues to work with Japan to strengthen its partnership. India's increasing engagement with countries of Africa and Latin America received further impetus

with the visit of the Prime Minister to Nigeria in October 2007 and the visits of the Presidents of Brazil and Mexico to India in 2007. Prime Minister led the Indian delegation to the 2nd IBSA Summit held in Pretoria in October 2007. India will host the first India-Africa Forum Summit in April this year.

We have considerably enhanced our interactions with countries of the Gulf region that is home to over 4.5 million Indians and is an important economic partner and a major source for our oil and gas imports. The countries of West Asia have age-old links with India culturally and economically and are part of our extended neighbourhood. Developments in this vital region impact directly on our interests and security. India is keen on cooperating with these countries to promote peace and stability in the region. Government has been closely following events in Iraq and hopes that peace and stability would soon return in Iraq. Government has also supported a rejuvenated Israeli-Palestinian dialogue and looks forward to a peaceful resolution of issues leading to an independent state of Palestine living side by side at peace with its neighbours. Sadly, recent events in Gaza and the West Bank have caused deplorable misery and hardship to the people of Palestine. India will extend additional assistance to the Palestinian people and stands ready to help the peace process to move forward.

India has also been engaged with Central Asian countries in our extended neighbourhood to widen cooperation with them. As an Observer State, India participated in the Heads of State and Heads of Government meetings of Shanghai Cooperation Organisation in August and November 2007 respectively. The India-Russia-China trilateral Foreign Ministers dialogue also continues to be productive.

India remains committed to universal, non-discriminatory and comprehensive **nuclear disarmament** as reflected in the **Action Plan** presented by the late Prime Minister **Rajiv Gandhi** and has called for renewed efforts for general and complete disarmament, particularly nuclear disarmament.

To commemorate Mahatma Gandhi's birthday every year as the International Day of Non-Violence, India piloted a resolution in the UN General Assembly which was adopted by consensus. The First **International Day of Non-Violence** was observed at the UN on 2nd October 2007.

Government has played a constructive role in the **Doha Development Round of WTO** trade negotiations and carried forward negotiations for establishing trade and economic partnership agreements with important trading partners and regional groupings to create a better external economic environment for our growth. The negotiations on the **India- ASEAN Free Trade Agreement** are scheduled to be completed soon. India worked with the international community to address key global challenges such as terrorism, energy security, sustainable development and reform of the United Nations.

Hon'ble Members, India is on the move. There is an air of optimism among our youth and of expectation among the less-privileged sections of society. The challenge before us is to sustain the development process in the face of external and internal threats. The people of India have the potential to fuel the engine of global growth. My Government has been able to sustain historically high rates of growth through prudent and sound economic management. This has contributed to the stability of the growth process, and to predictability and transparency in policy. This is reflected in the rising investment rate and in the buoyancy of tax revenues for both Central and State governments. Your leadership can unleash the full potential of our people and ensure the stability and sustainability of our growth process. I sincerely hope, therefore, that the proceedings of Parliament this year will be purposeful, peaceful and productive.

Today, more than ever before, the world watches this great hall of democracy with hope and expectation. Our ability to liberate millions of our people from poverty, ignorance and disease within the framework of an open society and an open economy has always had global significance. At a time when the democratic way of life has come under renewed pressure from the forces of intolerance, India's success as a plural, secular and inclusive democracy gives renewed hope to millions who are concerned about the rise of chauvinism, extremism and the ideologies of exclusion and hatred.

Hon'ble Members, each one of you must remember that as elected representatives of the people what you do gives new hope not just to your own voters, but to all our people, and to all peace and freedom loving people in our region and around the world. Therefore, what you say and do in these hallowed portals of democracy will have a bearing not just on the destiny of our people but also on the future of democracy and free societies around the world. With these thoughts, I once again wish you well. Jai Hindi.